

March 1, 2010

# Legislative Update 2010



Iowa Department of Human Services

## Special points of interest:

- \* Budget Impacts Iowans
- \* Supplemental to Governor
- \* Federal Block Grant
- \* New Service Area HQs
- \* \$35 M "Clawback"
- \* Insurance Rates Questioned
- \* Child Abuse Registry

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## DHS Director's Column: "Bumpy Four Weeks"

We experienced more ups and downs this week at the Capitol. See the items below on bills that are moving that will be helpful. The big "reorg" bill, SF 2088, has some things we asked for (service area language and MHDS commission rewrite) and some other things that will be problematic.

As for the DHS budget, check online at the Health and Human Services Budget Subcommittee page of the Iowa General Assembly Website under "Additional Information" for a document we gave to the committee on Thursday outlining the likely impacts of the budget the legislature is currently considering. A slightly revised, more accurate version was

shared with the unions and DHS managers on Friday. Either way, what the budget subcommittee is looking to pass and send to the House floor for debate is very troubling. While we know this is not the "end game", we need to do our job in educating legislators on the impact on our clients of the road they are headed down. Hopefully, at the end of session, the situation will vastly improve. Hang in there for a bumpy four weeks.

—Charlie Krogmeier

See the related article entitled "Families Won't Be Served".



## "Families Won't Be Served"

Senator Jack Hatch (D-Des Moines) reacted to the analysis provided by DHS explaining the impacts of budget cuts with concerns about the impact on people served by the Department. Representative Dave Heaton (R-Mt. Pleasant) predicted that DHS "will change radically" in the future if the cuts remain in place. On Thursday of last week Director Krogmeier had the opportunity to inform the Health and Human Services Budget Subcommittee about

the impact of the combination of early retirements, loss of one-time federal Human Services Reinvestment Funds, SF 2088 appropriation reductions and general fund budget reductions. Krogmeier said that the total picture is potentially a loss of 25% of the field staff. The Legislative Budget Subcommittee's recommendations are available on the General Assembly website under the Health and Human Services Budget Subcommittee page under "Additional Informa-

tion". Next week the budget process will move forward at the Capitol with budget subcommittees sending their recommendations to full Appropriations Committee then to the floor of the House and Senate. The DHS budget is expected to begin in the House of Representatives with Rep. Lisa Heddens (D-Ames) as the bill manager.

### Did you know?

In SFY 2009 DHS finalized 937 adoptions.

Over half of the children adopted through DHS are age 5 and under.

## House Passes "DHS Supplemental": State Payments Disenrollment Avoided

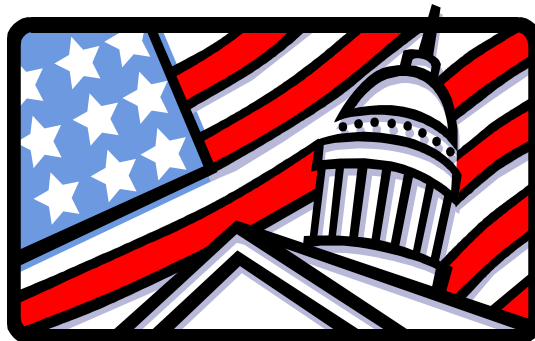
SF 2151 was passed by the Iowa House this week and since there were no amendments this bill will move directly to the Governor for his signature. This bill addresses the shortfall in funding for persons who receive mental health services under the state payments program. These adults do not have a county of legal settlement for

services. The state pays for these safety net services so that some of our most vulnerable citizens can live as independently as possible in their communities. In FY 09 3,883 adults were served. Unfortunately, funds are not sufficient to cover the need in this area. Without this supplemental funding nearly 1,200 Iowans were facing disenrollment

from services. DHS thanks the Iowa Legislature for addressing this issue by authorizing a transfer from the risk pool to cover the shortfall for FY 10. This budget shortfall will remain an area of concern as we develop the FY 11 budget and predict the same situation (insufficient general funds) for next year.

## Federal Block Grant Bill Introduced

HSB 728 is the federal block grant bill for 2010. This annual legislation is comprised of appropriations from the federal community development block grants and from the federal American Recovery and Reinvestment Act of 2009 (ARRA).



## Upcoming Events

**March 5th**—2nd Funnel  
Deadline

**March 11th**—Revenue Esti-  
mating Conference Meets

**March 31st**—Scheduled  
Final Day of 2010 Session

**\*Schedule subject to change**

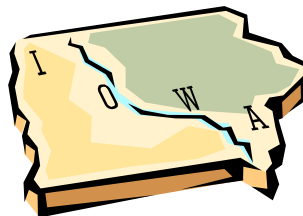


## Director Announces E & W Service Area Headquarters

Director Krogmeier announced the locations of the new eastern and western service area headquarters this week to be located in Davenport and Council Bluffs. This is part of the plan to go from eight services areas down to five service areas in order to better address

caseloads and reduced re-  
sources. In addition, Krogmeier  
decided that the basic structure  
of the offices will be as follows:  
a service area manager, a com-  
munity liaison, a personnel  
business manager, an income  
maintenance administrator, two  
social work administrators and

a secretary. The western and  
northern offices (the largest  
geographic areas) will have an  
extra community liaison.



## What is the \$35 Million “Clawback”?

Iowa is set to receive additional federal Medicaid funding through the “clawback” program. The clawback payment is the product of a per capita expenditure, the number of dual eligibles in the month, and a phase-down percentage. The clawback is operationalized as a monthly payment made by each

state to the federal Medicare program to offset the cost of the drug benefit provided to Medicaid and Medicare dual eligibles in the preceding month. Although a complex process to understand for people who are not Medicaid experts, we are grateful to have additional funds. Another way

to explain the clawback is the amount of money that the State Medicaid program pays to Medicare for Medicaid/Medicare Part D benefits.



### View the Budget Materials

Iowa General Assembly  
Website:

[www.legis.state.ia.us](http://www.legis.state.ia.us)

Go to “Committees”

Click on “Health and Human  
Services Budget Subcom-  
mittee”

Click on “Additional Infor-  
mation”

See 2/25/10 DHS Budget  
Impact for the DHS Reac-  
tion to the Legislative Tar-  
gets

See 2/24/10 FY 2011 Gen-  
eral Fund Committee Recs  
for the Legislature’s Budget  
Targets

## Commerce Committee Questions Insurance Rate Increases

House Commerce Committee Chairperson Janet Peterson (D-Des Moines) pressed Wellmark Blue Cross Blue Shield executives last week about the recent rate increase announcements. Rep Peterson said that she and her colleagues have heard from “deeply concerned” Iowans about “outrageous” increases. Insurance Commissioner Susan Voss explained how she ana-

lyzes rate increases for “excessive, unlawful and actuarially unsound” increases. Voss pointed out that Iowa has the 2<sup>nd</sup> lowest rates in the country. Wellmark executives talked about their goal to transform the health care system in Iowa and South Dakota by 2014 with a variety of measures including enabling people to live healthier lives, reducing provider cost

pressures, ensuring treatments are effective, reducing overuse of health care and minimizing costs shifting from government programs to private insurance. Legislators on the committee had many questions and not enough time to complete their discussion. Written questions were being compiled for Wellmark to answer at a future date.

## Child Abuse Registry Discussion Continues

Rep. Bruce Hunter (D-Des Moines) has held a series of subcommittee meetings on HF 2451. Rep Hunter has a six point proposal to increase notification of people suspected of dependent adult abuse or child abuse; ensure that employees are kept on full pay until issues are resolved; reduce the time frame for evidentiary hearings and final decisions to 45 days and 90 days respectively; shorten appeal time to 30 days; ensure that suspects of founded

reports will NOT be placed on the registry until the appeal process is complete and find a way to expedite cases currently in the system. DHS has attended the hearings and raised concerns about the “fundamental shift in policy” that would result if we leave people off the registry until final resolution of the appeal. DHS does believe that it is good public policy to have a fair and speedy process as long as the Department is provided the financial resources to

accomplish these goals. DHS has made two proposals to reduce the time to appeal from six months down to 30 days and to reduce the time to correct registry information following a final decision from 20 days down to 7 days.

**DHS completed 23,236 child abuse assessments in calendar year 2008, down by 2% from 2007.**

### Seen at the Capitol

As she promised, Mary Nelson (recently retired, veteran DHS staff person and child advocate) has been seen at the Capitol with youth from “*e/levate*” to talk about legislation impacting juveniles.

Last week’s newsletter reported on one of the bill’s on “*e/levate’s*” agenda referred to as “nothing about me without me”.



Iowa Department of Human Services

The Mission of the Iowa Department of Human Services is to help individuals and families achieve safe, stable, self-sufficient, and healthy lives, thereby contributing to the economic growth of the state. We do this by keeping a customer focus, striving for excellence, sound stewardship of state resources, maximizing the use of federal funding and leveraging opportunities, and by working with our public and private partners to achieve results.

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